

## **S & S Power Switchgear Limited**

S & S Power Switchgear - Employee Stock Option Scheme

("ESOS 2024" / "Scheme")



### **S & S Power Switchgear Limited**

**CIN:** L31200TN1975PLC006966

**Regd. Office:** Plot No. 14, CMDA Industrial Area Part-II, Chithamanur Village, Maraimalai Nagar, Kancheepuram District, Chennai – 603209, Tamil Nadu

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## 1. Name, Objective and Term of the Scheme

- 1.1 This Employee Stock Option Scheme shall be called '**S & S Power Switchgear - Employee Stock Option Scheme 2024**' ("**ESOS 2024**" / "**Scheme**").
- 1.2 The objective of the Scheme is to attract, retain, motivate and reward the key Employees of the Company, its Subsidiary(ies) or Holding Company of the Company for their performance and to motivate them to contribute to the growth and profitability of the Company. The Company views Employee Stock Options ("**Options**") as a long-term incentive tool that would enable the Employees not only to become co-owners, but also to create wealth out of such ownership in future resulting to achievement of sustainable corporate growth of the Company.
- 1.3 The Scheme is established with effect from **30<sup>th</sup> September 2024**, on which date the shareholders of the Company have approved the Scheme by way of a special resolution and shall continue to be in force until (i) its termination by the Board or Committee as per provisions of Applicable Law, or (ii) the date on which all of the Options available for Grant under the Scheme have been issued and exercised, whichever is earlier.

## 2. Definitions and Interpretation

### 2.1 Definitions

- i. "**Applicable Law**" means every law relating to Employee Stock Options by whatever name called, including and without limitation to the Companies Act, 2013 and the rules framed thereunder, Securities and Exchange Board of India Act, 1992, Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 and includes any statutory modifications or re-enactments thereof and all relevant tax, securities, foreign exchange or corporate laws of India or of any relevant jurisdiction or of any recognized Stock Exchange on which the Shares are listed or quoted.
- ii. "**Board**" means the Board of Directors of the Company.
- iii. "**Committee**" means the Nomination and Remuneration Committee constituted by the Board from time to time, to administer and supervise the Scheme and other employee benefit schemes, if any, comprising of such members of the Board as provided under Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), as amended from time to time and having such powers as specified under the SEBI SBEB Regulations read with powers specified in this Scheme.
- iv. "**Companies Act**" means the Companies Act, 2013 read with rules issued thereunder from time to time and includes any statutory modifications or reenactments thereof.

v. **“Company”** means **“S & S Power Switchgear Limited”**, a company registered in India under the provisions of the Companies Act, 1956, having CIN: L31200TN1975PLC006966 and having its registered office at Plot No. 14, CMDA Industrial Area Part-II, Chithamanur Village, Maraimalai Nagar, Kancheepuram District, Chithamanur Village, Chennai-603209, Tamil Nadu.

vi. **“Company Policies/Terms of Employment”** means the Company’s Policies for Employees and the Terms of Employment as contained in the employment letter and the company handbook, which includes provisions requiring a desired level of performance, securing confidentiality, non-compete and non-poaching of other employees and customers.

Policies/Terms of Employment of the Subsidiary Company and Holding Company of the Company as regards an Option Grantee on the payrolls of such Subsidiary Company or Holding Company of the Company shall be deemed to be “Company Policies/Terms of Employment” for such Option Grantee.

vii. **“Director”** means a member of the Board of the Company.

viii. **“Eligibility Criteria”** means the criteria as may be determined from time to time by the Committee for granting the Options to the Employees.

ix. **“Employee”** means

- (i) an employee as designated by the Company, who is exclusively working in India or outside India, or
- (ii) a Director of the Company, whether a whole-time director or not, including a non-executive director, who is not a Promoter or member of the Promoter Group but excluding an Independent Director;
- (iii) an employee as defined in sub-clauses (i) and (ii), of Subsidiary Company(ies), in India or outside India, or of a Holding Company of the Company,

**but excludes**

- a. an Employee who is a Promoter or a person belonging to the promoter group;  
or
- b. a Director who, either by himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding equity Shares of the Company.

x. **“Employee Stock Option”** means an Option granted to an Employee, which gives such Employee the right, but not an obligation, to purchase or subscribe at a future date the Shares underlying the Option at a pre-determined price.

xi. **“ESOS 2024” or “Scheme”** means the S & S Power Switchgear - Employee Stock Option Scheme 2024 under which the Company is authorized to grant Options to the Employees.

- xii. **“Exercise”** of an Option means expression of an intention by an Employee to the Company to purchase the Shares underlying the Options vested in him, in pursuance of the Scheme, in accordance with the procedure laid down by the Company for Exercise of Options.
- xiii. **“Exercise Period”** means such time period after Vesting within which the Employee should exercise the Options vested in him in pursuance of the Scheme.
- xiv. **“Exercise Price”** means the price payable by an Employee in order to Exercise the Options granted to him in pursuance of the Scheme.
- xv. **“Grant”** means issue of Options to the Employees under the Scheme.
- xvi. **“Grant Date”** means the date of the meeting of the Committee in which Grant of Options to the Employees are approved or any such date which may be determined by the Committee as the Grant date.

**Explanation:** For accounting purposes, the Grant date will be determined in accordance with applicable accounting standards.

- xvii. **“Holding Company”** shall have the same meaning as defined under Section 2(46) of the Companies Act.
- xviii. **“Independent Director”** means a Director within the meaning of Section 149(6) of the Companies Act read with Regulation 16(1)(b) of the Listing Regulations, as amended from time to time.
- xix. **“Market Price”** means the latest available closing price on the recognised Stock Exchange on which the Shares of the Company are listed on the date immediately prior to the Relevant Date.

**Explanation-** If such Shares are listed on more than one recognised Stock Exchange, then the closing price on the recognised Stock Exchange having higher trading volume shall be considered as the market price.

- xx. **“Merchant Banker”** shall have the same meaning assigned to it under regulation 2(1)(cb) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, which is registered under Section 12 of the Securities and Exchange Board of India Act, 1992.
- xxi. **“Misconduct”** means any of the following acts or omissions by an Employee in addition to any provisions prescribed in the offer or Terms of Employment amounting to violation or breach of Terms of Employment as determined by the Committee after giving the Employee an opportunity of being heard:

- (i) dishonest statements or acts of an Employee, with respect to the Company;

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- (ii) any misdemeanour involving moral turpitude, deceit, dishonesty, or fraud committed by the Employee;
  - (iii) gross negligence, misconduct or insubordination of the Employee in connection with the performance of his duties and obligations towards the Company;
  - (iv) breach by the Employee of any terms of his employment agreement or the Company's policies or other documents or directions of Company;
  - (v) participating or abetting a strike in contravention of any law for the time being in force;
  - (vi) misconduct as provided under the labour laws after following the principles of natural justice; or
  - (vii) any other terms and conditions as notified by the Committee from time to time.
- xxii. "**Option(s)**" means Employee Stock Options within the meaning of the Scheme.
- xxiii. "**Option Grantee**" means an Employee who has been granted an Option and has accepted such Grant as required under the Scheme and shall deem to include nominee/ legal heir of an Option Grantee in case of his/her death to the extent provisions of the Scheme are applicable to such nominee/ legal heir.
- xxiv. "**Permanent Incapacity**" means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Employee from performing any specific job, work or task which the said Employee was capable of performing immediately before such disablement, as determined by the Committee based on a certificate of a medical expert identified by the Company.
- xxv. "**Promoter**" shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended from time to time.
- xxvi. "**Promoter Group**" shall have the same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended from time to time.
- xxvii. "**Relevant Date**" means any of the following dates as the context requires:
- (i) in the case of Grant, the date of the meeting of the Committee on which the Grant is made; or
  - (ii) in the case of Exercise, the date on which the notice of Exercise is given to the Company by the Option Grantee.
- xxviii. "**Retirement**" means retirement as per the prevalent rules of the Company.
- xxix. "**SEBI SBEB Regulations**" means the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021, as amended and

reenacted from time to time, and includes any clarifications or circulars issued thereunder.

- xxx. **“Secretarial Auditor”** means a company secretary in practice appointed by the Company under rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014 to conduct secretarial audit pursuant to regulation 24A of the Listing Regulations.
- xxxi. **“Shares”** means equity shares of the Company of face value of **Rs. 10 (Rupees Ten Only)** each fully paid-up including the equity shares arising out of the Exercise of Options granted under the Scheme.
- xxxii. **“Stock Exchange”** means National Stock Exchange of India Limited or BSE Limited or any other recognised stock exchange in India on which the Company’s Shares are listed.
- xxxiii. **“Subsidiary Company”** shall have the same meaning as defined under Section 2(87) of the Companies Act.
- xxxiv. **“Unvested Option”** means an Option in respect of which the relevant Vesting Conditions have not been satisfied and as such, the Option Grantee has not become eligible to Exercise the Option.
- xxxv. **“Vested Option”** means an Option in respect of which the relevant Vesting Conditions have been satisfied and the Option Grantee has become eligible to Exercise the Option.
- xxxvi. **“Vesting”** means earning by the Option Grantee, of the right to Exercise the Options granted to him in pursuance of the Scheme.
- xxxvii. **“Vesting Condition”** means any condition subject to which the Options granted would vest in an Option Grantee.
- xxxviii. **“Vesting Period”** means the period during which the vesting of the Option granted to the Employee, in pursuance of the Scheme takes place.

## 2.2 Interpretation

In this Scheme, unless the contrary intention appears:

- a) the clause headings are for ease of reference only and shall not be relevant to interpretation;
- b) a reference to a clause number is a reference to its sub-clauses;
- c) words in singular number include the plural and vice versa;
- d) words importing a gender include any other gender;

- e) a reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference.
- f) reference to any statute, rules, regulations, or notification shall include any amendment, modification, substitution or re-enactment thereof.
- g) the terms defined above, including their grammatical variations and cognate expressions, shall, unless repugnant to the context or meaning thereof, for the purposes of the Scheme have the meanings herein specified and terms not defined above shall have the meanings as defined in the Companies Act or Applicable Law including SEBI SBEB Regulations, as the context requires; and
- h) words / phrases and expressions used and not defined here but defined in the SEBI SBEB Regulations, Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956 or the Companies Act, and any statutory modification or re-enactment thereto, shall have the meanings respectively assigned to them in those legislation, as the context requires.

### 3. Authority and Ceiling

- 3.1 The shareholders of the Company while approving this Scheme by way of special resolution dated **30-09-2024**, have authorized the Committee to grant not exceeding **12,34,155 (Twelve Lakhs Thirty-Four Thousand One Hundred Fifty Five)** Options to the eligible Employees in one or more tranches, from time to time, which in aggregate exercisable into not more than **12,34,155 (Twelve Lakhs Thirty-Four Thousand One Hundred Fifty-Five)** Shares of face value of **Rs. 10 (Rupees Ten Only)** each fully paid up, with each such Option conferring a right upon the Employees to apply for one Share in the Company in accordance with the terms and conditions as may be decided by the Committee in accordance with the provisions of this Scheme and in due compliance with Applicable Law.
- 3.2 The number of Options that may be granted under the Scheme per Employee and in aggregate (taking into account all grants) for such Employee, shall not exceed **4,00,000 (Four Lakhs)** Options.
- 3.3 Prior approval of shareholders of the Company in the general meeting by passing special resolution shall be obtained in case the Grant of Options to any identified Employee, in any one financial year, is equal to or exceeding 1% (one percent) of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of Grant of Option.
- 3.4 If an Option expires, lapses or becomes un-exercisable due to any reason, it shall be brought back to the Options pool as mentioned in sub-clause 3.1 and shall become available for future Grants, subject to compliance with all Applicable Law.
- 3.5 Where Shares are issued consequent upon Exercise of an Option under the Scheme, the maximum number of Shares that can be issued under the Scheme as referred to in Clause 3.1 above shall stand reduced to the extent of such Shares issued.



- 3.6 In case of a Share split or consolidation, if the revised face value of the Share is less or more than the current face value as prevailing on the date of coming into force of this Scheme, the maximum number of Shares being granted under the Scheme as specified above shall stand modified accordingly, so as to ensure that the cumulative face value (number of Shares X face value per Share) prior to such Share split or consolidation remains unchanged after such Share split or consolidation.

#### **4. Administration**

- 4.1 The Scheme shall be administered by the Committee. All questions of interpretation of the Scheme or any Option shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the Scheme or in any Option issued thereunder.
- 4.2 Neither the Committee nor any of its members shall be liable for any actions taken in good faith for the implementation of the Scheme.
- 4.3 The Committee may rely upon the advice and assistance of any professional it deems appropriate in the implementation of the Scheme.
- 4.4 The Committee, inter- alia, shall in accordance with this Scheme and Applicable Law determine the following:
- (a) the Eligibility Criteria for Grant of Options to the Employees;
  - (b) the quantum of the Option to be granted under the Scheme per Employee, subject to the ceiling as specified in sub-clause 3.1 and 3.2;
  - (c) terms and conditions in respect of Grant, Vesting and Exercise of Options by the Employees which may be different for different Employees or classes thereof falling in the same tranche of Grant of Options under the Scheme;
  - (d) the specific Exercise Period within which the Option Grantee should Exercise the Option and that Option would lapse on failure to Exercise the Option within the Exercise Period;
  - (e) the procedure for making a fair and reasonable adjustment to the number of Option and to the Exercise Price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration by the Committee:
    - (i) the number and the price of Option shall be adjusted in a manner such that total value of the Option remains the same after the corporate action; and
    - (ii) the Vesting Period and the life of the Option shall be left unaltered as far as possible to protect the rights of the Option Grantees.

- (f) the procedure and terms for the Grant, Vesting and Exercise of Option in case of Employees who are on long leave;
  - (g) the conditions under which Option vested in Option Grantee may lapse in case of termination of employment for Misconduct;
  - (h) determine the procedure for buy-back of Options granted under the Scheme if to be undertaken at any time by the Company, and the applicable terms and conditions, including:
    - i) permissible sources of financing for buy-back;
    - ii) any minimum financial thresholds to be maintained by the Company as per its last financial statements; and
    - iii) limits upon quantum of Options that the Company may buy-back in a financial year;
  - (i) formulate suitable policies and procedures to ensure that there is no violation of Applicable Law, in relation to this Scheme, by the Company and the Employees
  - (j) the procedure for funding for Exercise of Options, as permitted under the Applicable Law; and
  - (k) approve forms, writings and/or agreements for use in pursuance of the Scheme.
- 4.5 The Committee shall also frame suitable policies and systems to ensure that there is no violation of (a) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) (b) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003 (as amended from time to time) and (c) any other regulation as may be notified by the Securities and Exchange Board of India or any other authority from time to time, by the Company, its Subsidiary Company(ies) and Holding Company of the Company and any of its Employee.
- 4.6 The Committee shall have a right to delegate or authorize any officer of the Company, if required and subject to the extent allowed under the Applicable Law, such power to do specific acts and things without limitation to the listing of Shares on recognized Stock Exchange(s) arising pursuant to Exercise of Vested Options, execution and submission of various document(s) to recognized Stock Exchange(s) or any other institution as may be deemed necessary in connection with the Scheme.
- 5. Eligibility and Applicability**
- 5.1 Only Employees are eligible for being granted Options under the Scheme. The specific Employees to whom the Options would be granted, and their Eligibility Criteria shall be determined by the Committee.

5.2 The Scheme shall be applicable to the Company, Subsidiary Company(ies) and Holding Company of the Company and any successor company thereof and Options may be granted to the Employees of the Company, Subsidiary Company(ies) or Holding Company of the Company as determined by the Committee at its sole discretion.

5.3 The appraisal process for determining eligibility shall be decided from time to time by the Committee. The broad criteria for appraisal and selection may include parameters like designation, tenure with the Company, performance during the previous years, contribution towards strategic growth, contribution to team building and succession, cross-functional relationship, expected role for the corporate growth, etc.

## **6. Grant and Acceptance of Grant**

### **6.1 Grant of Options**

(a) Grants contemplated under the Scheme shall be made on such day and month as decided by the Committee at its discretion upon recommendation of the Management of the Company.

(b) Each Grant of Option under the Scheme shall be made in writing by the Company to the eligible Employees fulfilling the Eligibility Criteria in a letter of Grant as may be approved containing specific details of the Grant, and disclosure requirements, as prescribed under Applicable Law.

### **6.2 Acceptance of the Grant**

(a) Any Employee who wishes to accept the Grant made under the Scheme must deliver to the Company a duly signed acceptance of the letter of Grant on or before the date (“**Closing Date**”) which shall not be more than **30 days** from the date of the Grant, as specified in the letter of Grant.

(b) Any Employee who fails to deliver the signed acceptance of the letter of Grant on or before the Closing Date stated above shall be deemed to have rejected the Grant unless the Committee determines otherwise.

(c) Upon acceptance of the Grant in the manner described above, the Employee henceforth as an Option Grantee, shall be bound by the terms, conditions and restrictions of the Scheme and the letter of Grant. No amount would be required to be paid by the Option Grantee at the time of Grant and Vesting.

## **7. Vesting Schedule and Vesting Conditions**

7.1 Option granted under the Scheme shall vest not earlier than minimum period of **1 (one) year** and not later than maximum period of **3 (three) years** from the date of Grant. The Committee shall determine the specific Vesting percentage and schedule which may be different for different Employees or class thereof at the time of Grant. Unless otherwise decided by the Committee at the time of Grant, the Vesting schedule shall be as follows:

Vesting Year*	Percentage of Vesting of Options*
Year 1	0% of Options granted
Year 2	0% of Options granted
Year 3	100% of Options granted

*\*By default, the Vesting Schedule shall be this. However, the Management can decide on a separate Vesting Schedule for subsequent Grants subject to NRC approval.*

**Provided that** in case where Options are granted by the Company under the Scheme in lieu of Options held by a person under a similar scheme in another company (“**Transferor Company**”) which has merged or amalgamated with the Company, the period during which the Options granted by the Transferor Company were held by him may be adjusted against the minimum Vesting Period required under this sub-clause in due compliance with the provisions of SEBI SBEB Regulations.

**Provided further that** in the event of death or Permanent Incapacity of an Option Grantee, the minimum Vesting Period shall not be applicable and in such instances, all the Unvested Options shall vest with effect from date of the death or Permanent Incapacity.

- 7.2 Vesting of Option would be subject to continued employment with the Company or Subsidiary Company(ies) or Holding Company of the Company, as the case may be. In addition to this, the Committee shall have the power to prescribe achievement of performance condition(s)/target(s) being corporate or individual or otherwise with a predefined threshold for Vesting as deemed appropriate for each Option Grantee, subject to satisfaction of which the Options would vest.
- 7.3 As a prerequisite for a valid Vesting, an Option Grantee is required to be in employment or service of the Company or Subsidiary Company(ies) or Holding Company of the Company, on the date of Vesting and must neither be serving his notice for termination of employment/ service, nor be subject to any disciplinary proceedings pending against him on such date of Vesting. In case of any disciplinary proceedings against any Option Grantee, the relevant Vesting shall be kept in abeyance until disposal of the proceedings and such Vesting shall be determined accordingly.
- 7.4 The Vesting dates, Vesting schedule and Vesting Condition, along with their respective weightages, if any, in respect of the Options granted under the Scheme shall be determined by the Committee and may vary from an Employee to Employee or any class thereof and / or in respect of the number or percentage of Options to be vested and would be outlined in the document given to the Option Grantee at the time of Grant of Options.
- 7.5 **Vesting of Options in case of Option Grantee on long leave**

The period of leave shall not be considered in determining the Vesting Period in the event the Option Grantee is on a sabbatical. In all other events including approved earned leave and sick

leave, the period of leave shall be included to calculate the Vesting Period unless otherwise determined by the Committee.

**8. Exercise**

**8.1 Exercise Price**

- (a) The Exercise Price per Option shall be determined by the Committee at the time of Grant which shall not be less than the Face Value of the Shares of the Company and shall not exceed the Market Price of the Shares of the Company.
- (b) The Exercise Price shall be specified in the letter issued to the Option Grantee at the time of the Grant.
- (c) Payment of the Exercise Price shall be made by a crossed cheque, or a demand draft drawn in favor of the Company or by any electronic mode or in such other manner as the Committee may decide from time to time.

**8.2 Exercise Period**

**(a) Exercise while in employment**

The Exercise Period for Vested Options shall be a maximum of **4 (Four) years** commencing from the relevant date of Vesting of Options, or such other shorter period as may be prescribed by the Committee at time of Grant. All the Vested Options can be exercised by the Option Grantee at one time or at various points of time within the Exercise Period.

**(b) Exercise in case of separation from employment**

Options can be exercised as per provisions outlined below:

S. No.	Events of separation	Vested Options	Unvested Options
1	<b>Resignation/ Termination (Other than due to Misconduct)</b>	All the Vested Options as on the date of resignation/termination shall be exercisable by the Option Grantee before his <b>last working day</b> with the Company.	All the Unvested Options as on date of submission of resignation/termination shall stand <b>cancelled</b> with effect from date such resignation/termination.
2	<b>Termination due to Misconduct</b>	All the Vested Options at the time of such termination shall stand <b>cancelled</b> with effect from the date of such termination.	All the Unvested Options at the time of such termination shall stand <b>cancelled</b> with effect from the date of such termination.

S. No.	Events of separation	Vested Options	Unvested Options
3	<b>Retirement</b>	All the Vested Options as on the date of Retirement shall be exercisable by the Option Grantee within a period of <b>4 (Four) years</b> from the date of Retirement.	All Unvested Options as on the date of Retirement would continue to vest in accordance with the <b>original vesting schedule</b> even after Retirement unless otherwise determined by the Committee in accordance with the Company's Policies and provisions of the prevailing Applicable Law.  All such aforesaid Options upon Vesting can be exercised within a period of <b>4 (Four) years</b> commencing from the relevant date of Vesting of such Options.
4	<b>Death</b>	All Vested Options may be exercised by the Option Grantee's nominee or legal heir immediately after, but in no event later than <b>4 (Four) years</b> from the date of death of the Option Grantee.	All the Unvested Options as on date of death shall <b>vest immediately</b> in the Option Grantee's nominee or legal heir and can be exercised in the manner defined for Vested Options.
5	<b>Permanent Incapacity</b>	All Vested Options may be exercised by the Option Grantee, immediately after, but in no event later than <b>4 (Four) years</b> from the date of such incapacity.	All the Unvested Options as on date of incurring of such incapacity shall <b>vest immediately</b> with effect from such event to the Option Grantee and can be exercised in the same manner as defined for Vested Options.
6	<b>Transfer / deputation from/ to the Subsidiary or Holding Company</b>	Exercise Period to remain the same as per the terms of the Grant.  In case of subsequent separation, treatment of Vested Options shall be as per	Vesting schedule and Exercise Period to remain same as per the terms of the Grant.  In case of subsequent separation, treatment of

S. No.	Events of separation	Vested Options	Unvested Options
		applicable circumstance mentioned in this table.	Unvested Options shall be as per applicable circumstance mentioned in this table.
7	<b>Separation due to reasons apart from those mentioned above</b>	The Committee <b>shall decide</b> whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final.	All Unvested Options on the date of such separation shall stand <b>cancelled</b> unless otherwise required by Applicable Law.

8.3 The Options shall be deemed to have been exercised when an Employee makes an application in writing to the Company or by any other means as decided by the Committee, for the issue of Shares against the Options vested in him, subject to payment of Exercise Price and compliance of other requisite conditions of Exercise.

#### 8.4 Lapse of Options

The Options not exercised within the respective Exercise Period prescribed in Clause 8 shall lapse and be deemed to cancelled on expiry of such Exercise Period. The Option Grantee shall have no right or recourse over such lapsed/ cancelled Options.

#### 9. Lock-in

The Shares arising out of Exercise of Vested Options shall not be subject to any lock-in period from the date of allotment of such Shares under the Scheme.

**Provided that** the Shares allotted on such Exercise cannot be sold for such further period or intermittently as required under the terms of Code of Conduct for Prevention of Insider Trading of the Company framed under Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015.

#### 10. Exit route in case of de-listing

If the Company gets delisted from all the recognized Stock Exchange, then the Committee shall have the power to set out terms and conditions for the treatment of Vested Options and Unvested Options in due compliance with the Applicable Law.

#### 11. Restriction on transfer of Options

11.1 The Option shall not be pledged, hypothecated, mortgaged, or otherwise alienated in any other manner.

11.2 Options shall not be transferable to any person except in the event of death of the Option Grantee, in which case provisions at sub-clause 8.2(b) would apply.

11.3 No person other than the Option Grantee shall be entitled to Exercise the Option except in the event of the death of the Option Grantee, in which case provisions at sub- clause 8.2(b) would apply.

**12. Rights as a shareholder**

12.1 The Option Grantee shall not have a right to receive any dividend or to vote or in any manner or enjoy the benefits of a shareholder in respect of Options granted, till Shares underlying such Options are issued by the Company upon Exercise of such Options.

12.2 Nothing herein is intended to or shall give the Option Grantee any right or status of any kind as a shareholder of the Company (for example, bonus shares, rights shares, dividend, voting, etc.) in respect of any Shares covered by the Grant unless the Option Grantee Exercises the Options and becomes a registered holder of the Shares of the Company.

12.3 In case of any corporate action (for example, bonus issue, right issue, share split, buyback, merger, sale of divisions, etc.) the Option Grantee shall not be eligible for any right or status of any kind as a shareholder of the Company. However, the necessary adjustments to the number of Options or the Exercise Price or both would be made in accordance with sub-clause 4.4(e) of the Scheme.

**13. Deduction/Recovery of Tax**

13.1 The liability of paying taxes, if any, in respect of Options granted pursuant to this Scheme and the Shares issued pursuant to Exercise thereof shall be entirely on Option Grantee and shall be in accordance with the provisions of Income Tax Act, 1961 read with rules issued thereunder and/or Income Tax Laws of respective countries as applicable to eligible Employees of Company working abroad, if any.

13.2 The Company shall have the right to deduct from the Option Grantee's salary or recover any tax that is required to be deducted or recovered under the Applicable Law. In case of non-continuance of employment, the outstanding amount of the tax shall be recovered fully on or before full and final settlement.

13.3 The Company shall have no obligation to deliver Shares until the Company's tax deduction obligations, if any, have been satisfied by the Option Grantee in full.

**14. Authority to vary terms**

14.1 For the purpose of efficient implementation and administration of the Scheme and with the prior approval of the shareholders' of the Company by way of a special resolution, the Committee may revise the terms of the Scheme and/ or terms of the Options already granted but not yet exercised under the Scheme subject to the condition that such amendment, alteration, or variation, as the case may be is not detrimental to the interest of Option Grantee.



**Provided that** the Company shall be entitled to vary the terms of the Scheme to meet any regulatory requirement without seeking shareholders' approval by way of a special resolution.

- 14.2 The Committee may also re-price the Options which are not exercised, whether or not they have vested, if Scheme is rendered unattractive due to fall in the price of the Shares, provided that the Company ensures that such re-pricing shall not be detrimental to the interest of the Option Grantee and approval of the shareholders by way of a special resolution has been obtained for such re-pricing.

**15. Miscellaneous**

15.1 Government Regulations

This Scheme shall be subject to all Applicable Law including any statutory modification(s) or re-enactment(s) thereof, and approvals from government authorities. The Grant and the allotment of Shares under this Scheme shall also be subject to the Company requiring Option Grantee to comply with all Applicable Law.

15.2 Inability to obtain approval

The inability of the Company to obtain approval from any regulatory body having jurisdiction over the Company, or under any Applicable Law, for the lawful issuance and sale of any Shares hereunder shall relieve and wholly discharge the Company from any and all liability in respect of the failure to issue or sell such Shares.

- 15.3 Neither the existence of this Scheme nor the fact that an individual has on any occasion been granted an Option shall give such individual any right, entitlement or expectation that he has or will in future have any such right, entitlement or expectation to participate in this Scheme by being granted an Option on any other occasion.

- 15.4 The rights granted to an Option Grantee upon the Grant of an Option shall not afford the Option Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the Company or Subsidiary Company or Holding Company of the Company, for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).

- 15.5 The Option Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being unable to Exercise an Option in whole or in part.

- 15.6 Participation in the Scheme shall not be construed as any guarantee of return on the equity investment. Any loss due to fluctuations in the price of the equity and the risks associated with the investments is that of the Option Grantee alone.

**16. Accounting and Disclosures**

The Company shall follow the requirements including the disclosure requirements under IND AS 102 on Share-based payments and/ or any relevant accounting standards as may be prescribed by the Central Government in terms of Section 133 of the Companies Act or any other appropriate authority, from time to time, including any guidance note on accounting for employee share-based payments issued in that regard from time to time and the disclosure requirements prescribed therein, in compliance with relevant provisions of Regulation 15 of SEBI SBEB Regulations.

**17. Certificate from Secretarial Auditors**

The Committee shall at each annual general meeting place before the shareholders, a certificate from the Secretarial Auditors of the Company that the Scheme has been implemented in accordance with the SEBI SBEB Regulations and in accordance with the resolution of the Company in the general meeting.

**18. Governing Laws**

18.1 The terms and conditions of the Scheme shall be governed by and construed in accordance with the Applicable Law including the foreign exchange laws mentioned below.

18.2 Foreign Exchange Laws

In case any Options are granted to any Employee being resident outside India, the provisions of the Foreign Exchange Management Act, 1999 and rules or regulations made thereunder as amended and enacted from time to time shall be applicable and the Company has to comply with such requirements as prescribed from time to time in connection with Grant, Vest, Exercise of Options and issue of Shares thereof.

**19. Notices**

19.1 All notices of communication required to be given by the Company to an Option Grantee by virtue of this Scheme shall be in writing. The communications shall be made by the Company in any one or more of the following ways:

- i. Sending communication(s) to the address of the Option Grantee available in the records of the Company; and/ or
- ii. Delivering the communication(s) to the Option Grantee in person with acknowledgement of receipt thereof; and/ or
- iii. Emailing the communication(s) to the Option Grantee at the official email address provided if any by the Company during the continuance of employment or at the email address provided by the Option Grantee after cessation of employment.

- 19.2 All notices of communication to be given by an Option Grantee to the Company in respect of Scheme shall be sent to the address mentioned below:

**Designation:** Company Secretary

**Address:** Plot No 14, CMDA Industrial Area Part-II, Chithamanur Village, Maraimalai Nagar, Kancheepuram, Chennai, Tamil Nadu, India, 603209

**E-mail:** secretarial@sspower.com

## 20. Nomination

The Option Grantee has to nominate a person as his nominee. The nominee in case of death or legal incapacity of Option Grantee shall be the legal representative recognized by the Company as the inheritor of the Option Grantee in respect of all rights and liabilities for the purposes of this Scheme.

## 21. Jurisdiction

- 21.1 The Courts in Tamil Nadu, India shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this Scheme.

- 21.2 Nothing in this sub-clause will however limit the right of the Company to bring proceedings against any Employee in connection with this Scheme:

- (i) in any other court of competent jurisdiction; or
- (ii) con-currently in more than one jurisdiction.

## 22. Listing of the Shares

- 22.1 The Company shall not Grant Options under the Scheme unless it obtains in-principle approval from the Stock Exchange where it is listed.

- 22.2 The Company shall appoint a Merchant Banker for the implementation of the Scheme and for the purpose of obtaining in-principle approval from the Stock Exchange, where it is listed.

- 22.3 Subject to the approval of the Stock Exchange(s), the Shares issued and allotted on Exercise of the Options shall be listed on the recognized Stock Exchange(s) on which the Shares of the Company are listed.

## 23. Severability

In the event any one or more of the provisions contained in this Scheme shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the other provisions of this Scheme, but the Scheme shall be construed as if such invalid, illegal, or unenforceable provision had never been set forth herein, and the Scheme shall be carried out as nearly as possible according to its original intent and terms.

**24. Confidentiality**

- 24.1 An Option Grantee must keep the details of the Scheme and all other documents in connection thereto strictly confidential and must not disclose the details with any of his peer, colleagues, co-employees or with any employee and/ or associate of the Company or that of its affiliates. In case Option Grantee is found in breach of this confidentiality Clause, the Company has undisputed right to terminate any agreement and all unexercised Options shall stand cancelled immediately. The decision and judgment of the Company regarding breach of this confidentiality clause shall be final, binding and cannot be questioned by Option Grantee. In the event of non-adherence to the provisions of this clause, the Committee shall have the authority to deal with such cases as it may deem fit.
- 24.2 On acceptance of the Grant of Option offered by the Company, it shall be deemed that as if the Option Grantee has authorized the Company to disclose information relating to the Option Grantee during the process of implementation of the Scheme or while availing any consulting or advisory services thereof or any other incidental services to its officers, professional advisors, agents and consultants on a need to know basis.

-----End of Scheme-----